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SENSITIVE
SIPDIS

USDA FAS FOR OCRA/KUYPERS; OSTA/HAMILTON, BEAN
PASS FSIS/HARRIES, DUTROW
PASS APHIS MITCHELL
STATE FOR EUR/RUS,
STATE PASS USTR FOR CHATTIN, HAFNER, KLEIN
BRUSSELS PASS APHIS/FERNANDEZ
VIENNA PASS APHIS/TANAKA

E.O. 12958: N/A
TAGS: EAGR ETRD ECON WTO RS
SUBJECT: MINAG DELISTS 7 U.S. PORK FACILITIES.

REF: A) HANSEN/DUTROW EMAIL 12/1/08, B) MOSCOW
2769, C) MOSCOW 2949, D) MOSCOW 3181

SENSITIVE BUT UNCLASSIFIED

¶1. (SBU) SUMMARY: The Russian Federal Veterinary and Phytosanitary Surveillance Service (VPSS) advised via official letter that it had delisted 7 out of the first 9 pork facilities that were recently inspected as part of a joint audit. The results of the remaining 20 pork facilities are still pending but all signals point to more of the same unless an agreement can be reached to cut overall exports of U.S. pork to Russia in 2009 (REF B). In addition, the letter states that VPSS will intensify border control on all pork products from establishments 413 and 20748 since Russian specialists were not permitted to visit farms that supply these establishments with animals for slaughter during the audit. An original scanned copy and courtesy translation of the backdated letter were sent to USDA December 1 (REF A). An informal embassy translation of the letter follows. END SUMMARY.

¶2. (SBU) BEGIN TEXT:
Moscow, November 27, 2008
No. FS-NV-2/12067

Assistant Administrator
Office of International Affairs
USDA Food Safety and Inspection Service
Dr. Ronald K. Jones

The Federal Veterinary and Phytosanitary Surveillance Service (VPSS) extends its regards to the USDA Food Safety and Inspection Service (FSIS), and informs you of the following.

Complying with the agreement on inspection and certification of U.S. slaughterhouses, meat processing establishments and cold storages of November 19, 2006, VPSS specialists conducted an audit of 29 U.S. pork establishments approved for export to Russian Federation from October 14-30, 2008.

VPSS has completed preliminary analysis of the

results of the audit conducted in the period from October 15-17, 2008. The results of our analysis showed that 7 establishments (244, 382, 812, 1957, 1993, 6916 and 34179) did not comply with Russian requirements out of a total of 9 establishments inspected during that period. Therefore the above-mentioned establishments will be excluded from the list of U.S. establishments approved for the export of pork and pork by-products to the Russian Federation starting December 15, 2008.

I must add that VPSS will intensify border control on all products from establishments 413 and 20748 since Russian specialists were not permitted to visit farms that supply these establishments with animals for slaughter.

Furthermore, I inform you that pork establishments 28, 3535, 6747 and 19000 are delisted according to FSIS' notification.

Please note that establishments P-2178, P-2686 and P-20968 C, that declined to participate in the joint audit in July 2008, have been excluded from the list of U.S. establishments approved for the export of poultry to the Russian Federation.

Dr. Jones, let me assure you of my highest esteem.

Deputy Head
N.A. Vlasov
END TEXT.

¶3. (SBU) In a previous letter, VPSS stated that it would not abide by the side letter agreement on meat and poultry plant inspections which was signed as part of the U.S.-Russia bilateral WTO market access agreement in November 2006 as questions were raised regarding FSIS' competence to assure and certify that meat and poultry exports to Russia meet all sanitary requirements and regulations (REF D). Since then VPSS has denied a request to relist (or add) 7 new meat and poultry plants, that were inspected and certified by FSIS, for export to Russia.

¶4. (SBU) COMMENT: The delisting of 7 out of the first 9 pork plants visited during the recent audit appears to be a blatant attempt to force U.S. negotiators to quickly agree to conditions that would lead to an overall decrease in U.S. pork exports to Russia in 2009 (REF B). This would explain a delay in announcing the results of the additional 20 pork plants visited during the audit. MinAg appears to be sending a message that, one way or another, it will control the volume of U.S. pork that is shipped to Russia and achieve the twin goals of protecting domestic producers and inflicting economic costs on U.S. agricultural interests. It is very likely that if GOR and USG officials do not reach an agreement on TRQ pork allocation for 2009 via consultations, Russian veterinary officials will take the matter into their own hands and delist the majority of the remaining 20 pork plants visited during the audit. VPSS has already explicitly stated that it will not abide by the side letter agreement on plant inspections signed as part of the U.S.-Russia WTO market access agreement in November 2006 which permits FSIS the ability to inspect and certify that U.S. meat and poultry plants meet Russian requirements (REF D). Now that it has denied the right of FSIS to relist and add new meat and poultry plants to the list of eligible exporters to Russia, VPSS is picking off U.S. pork plants that are currently

eligible to export to Russia seven at a time
thereby managing trade as it sees fit. END
COMMENT.
BEYRLE